



Board of County Commissioners Workshop Item

Date of Meeting: October 26, 2004
Date Submitted: October 21, 2004

TO: Honorable Chairman and Members of the Board

FROM: Parwez Alam, County Administrator 
Vincent Long, Assistant County Administrator 

SUBJECT: Workshop on Procurement of New 911 System for Leon County.

STATEMENT OF ISSUE:

To conduct a workshop with the Board on procuring a new 911 system for Leon County, including a report on the "best and final offer" process that was recently completed by each of the three top-ranked vendors (Attachment #1). This workshop also presents additional information to the Board regarding the extension of the current contract for 911 services with Sprint (Attachment #2).

BACKGROUND:

During their regularly scheduled meeting on October 12, 2004, the Board of County Commissioners considered a staff report on the process to procure a new 911 system for Leon County. This report also included an "additional information" update on negotiations to extend the current 911 services contract and a recommendation to select Sprint as the provider for the new 911 system. At that time, the Board approved the following actions (Attachment #3):

- Do not select Sprint as the provider for the new 911 system.
- Schedule a Workshop on Procurement of a new 911 System for Tuesday, October 26, 2004, from 12:30 to 2:30 p.m.
- Invite representatives from the three top ranked firms (CML/AK Associates, Sprint and TDS/TCI, respectively) to make 15 minute presentations at the Workshop.

ANALYSIS:

This workshop item presents additional information to the Board regarding the process to procure a new 911 system for Leon County including a report on the "best and final offer" process with each of the three top-ranked vendors. This item also provides an update on negotiations with Sprint to extend the existing 911 services contract to allow the County with additional time to procure, install, test and activate the new 911 system. This workshop will also provide each of the three top ranked providers (CML/AK Associates, Sprint and TDS/TCI, respectively) with an opportunity to make 15 minute presentations to the Board and respond to any additional questions that the Board may have.

"Best and Final Offer" Process Completed with Three Top-Ranked Vendors:

Since the regularly scheduled Board meeting on October 12, 2004, staff has engaged in "best and final" offer negotiations with each of the three top-ranked RFP respondents. The objective of this process was to complete the comprehensive staff analysis of the top-ranked proposals and to provide the Board with the best pricing information for each proposal, in advance of their selecting a vendor for this service. Completing the "best and final offer" process before this workshop was imperative

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due to the time constraints for selecting a provider for the County's new 911 system before the pending end date of the existing contract with Sprint on December 29, 2004 (as discussed further in the Analysis Section on Page #3).

To expedite and add value to the "best and final offer" process, the County utilized the services of RCC (the County's 911 consultant, as contracted by the Sheriff's Office). Engaging in best and final negotiations with the vendors was accommodated through the existing LCSO contract with RCC. A report from RCC to the County with their findings from the best and final offer "BAFO" process was presented in a letter to the County Administrator on October 21, 2004 (Attachment #1).

In their report to the County, RCC determined that each of the three top-ranked vendors could provide a 911 solution to the County that met the RFP requirements for the following "best and final" negotiated prices:

- **CML/AK:** \$4,995,843 (*represents a \$924,540 reduction from previous \$5,920,383 offer*)
- **Sprint:** \$4,406,381 (*represents a \$96,299 reduction from previous \$4,502,680 offer*)
- **TDS/TCI:** \$4,582,737 (*represents a \$123,056 increase from previous \$4,459,681 offer*)

CML/AK's \$924,540 reduction was largely attributed to a) CML's initially overestimating Sprint's monthly database/networking fees by approximately \$5,000 per month or \$420,000 (note: these are tariff network fees that would be charged to any vendor) and b) a reduction in service and equipment costs without a corresponding reduction in the scope of services. Sprint's \$96,299 reduction was attributed to equipment and services savings related to the Mobile Command Center.

TDS' proposal actually increased during the "best and final offer" process by \$123,056. This was largely due to TDS's including an additional staffing component for their proposed "mirrored" database during this process. It is important to note that TDS' final solution for the County system did not include an onsite database, as was initially proposed, but would instead utilize the Sprint database and network during the seven year term. This proposal calls for systematic use of TCI equipment and utilization of TDS staff as the County's primary point of contact for any Sprint database or networking system issue under the TDS/TCI plan.

In conclusion, RCC stated that Sprint's proposal as one that was "thoroughly compliant" with the County's needs. Although their "best and final offer" was \$589,462 higher than Sprint's, upon conclusion of their review, RCC recommended that the Board select CML/AK "best and final offer" for the County's new 911 system based on the following key points:

- Only proposal to offer onsite database with onsite database management
- No single point of failure in the system
- Commitment to meet December 29th deadline before end date of current contract

Significantly, CML's proposal was the only "best and final offer" proposal to include the potential for network and database cost savings during the contract term. CML has estimated that these savings could reach up to \$924,000 during this period and stated that they have successfully achieved this solution in other Florida counties. Such savings would be available through use of the onsite database proposed by CML and the corresponding "unbundling" of tariff database fees charged by the local phone company.

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CML has estimated that these fees, once unbundled, could save the County up to \$11,000 a month by reducing them from \$27,500 to approximately \$16,500 per month. For example, the Sprint proposal quantifies these fees at \$26,500 and TDS includes them at \$27,600 per month during the life of their respective contracts without the ability to lower them. It is also important to note that CML/AK affirmed that they would pass 100% of any cost savings experienced under such a tariff reduction directly to the County.

Although it may be deemed important by the Board, it is important to note that neither staff, the RFP evaluation committee, nor the consultant have ever assigned any value to Sprint's significant local presence as part of their ranking process of the vendors.

Update on Negotiations to Extend the Current 911 Contract with Sprint:

At their meeting on October 12, 2004, the Board of County Commissioners directed staff to continue negotiations with Sprint to extend the existing 911 services contract, on a month to month basis, and for the same monthly rate of \$50,028. Such an extension would allow for a normal migration from the current system to the new system selected by the Board. At that time, Sprint had stated that the end date for the current contract would be February 14, 2005, with a potential to extend for a "hard" nine month term, thereafter, for up to \$58,000 per month (an increase of \$8,000 per month). The Board requested that these negotiations proceed toward a more advantageous solution to the County.

Since the Board's last meeting on October 12, 2004, negotiations on this part have proceeded with some changes and setbacks. Telimagine, Sprint's assigned subcontractor for equipment and equipment maintenance, has stated that they will only honor their existing contract (for \$19,585 per month) until December 29, 2004. Telimagine has stated that they will accept a "hard" six month extension beyond this time, but that it will be for the same \$19,585 per month but will NOT include equipment maintenance. Sprint has attempted to convince Telimagine that the contract end date is February 14, 2005 but these efforts have been unsuccessful to date (Attachment #2).

As the Board is aware, pushing the end date of the contract from the now evident December 29, 2004, to February 14, 2005 would provide valuable time to select a vendor and install, test and activate a new 911 system. However, should the December 29th date stand as the effective end date of the current contract *and* if the selected provider does not have the new system ready by that date, a contract extension under the terms offered by Sprint and Telimagine may be required. Table #1, on Page #4, presents a summary of the current extension offer proposed by Sprint/Telimagine. At this time, this table represents the most accurate picture of what the fiscal impact of extending the current 911 contract with Sprint would be.

Table #1: Overview of Sprint's Proposal to Extend Current Contract

Description	Sprint	Telimagine	Total Cost
Current Contract through December 29, 2004	\$30,433/month database/networking fees	\$19,585/month equipment/ equip. maintenance	\$50,028/month
January 2005	(\$30,343 + \$5,705) = \$36,048 database/networking fees + equipment maintenance	(6 months x \$19,585) = \$117,510 - equipment ONLY	\$121,158 (one time)
February 2005	\$36,048/month	paid above	\$36,048/month
March 2005	\$36,048/month	paid above	\$36,048/month
April 2005	\$36,048/month	paid above	\$36,048/month
May 2005	\$36,048/month	paid above	\$36,048/month
Until June 29, 2005	\$36,048/month	paid above	\$36,048/month

According to Sprint's extension offer, at any point during this six months when the new 911 system is ready for switch-over, all costs associated with Sprint's database, networking, and equipment maintenance fees would end without penalty (Sprint's portion is a true "month to month"). However, if the County needs any time beyond the December 29, 2004, end date, charges for a full six months of equipment rental (totaling \$121,158) under Telimagine would apply. Therefore, extending the current contract under the provisions of this offer would be costly.

Conclusion:

Due to the inherent costs of extending the current contract with Sprint/Telimagine beyond the new end date of December 29, 2004, it is very important that the Board select a vendor to proceed with the installation of the new 911 system at this time. A separate agenda item to ratify the actions taken by the Board at this workshop has been submitted for the regular meeting also on October 26, 2004. Based upon Board action, staff will immediately act to negotiate a contract with the selected vendor and present this contract to the Board for their approval at their first meeting in November.

Having previously recommended Sprint due to their competitive price, comprehensive solution, history as the County's current 911 provider and significant local presence, staff has not included a recommendation at this time. In accordance with the Board's direction, each of the three top-ranked vendors will have the opportunity for 15 minute presentations directly before the Board during this workshop. Afterward each of the vendors, and the County's 911 consultant, RCC, will be available to answer any questions the Board may have on their respective proposals.

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OPTIONS:

- 1) Select CML/AK Associates for the new 911 system and direct staff to prepare a contract with this vendor for Board approval at their November 16, 2004.
- 2) Select Sprint for the new 911 system and direct staff to prepare a contract with this vendor for Board approval at their November 16, 2004.
- 3) Select TDS/TCI for the new 911 system and direct staff to prepare a contract with this vendor for Board approval at their November 16, 2004.
- 4) Board direction

RECOMMENDATION:

Option #4 (to include the selection of one of the three top ranked vendors)

Attachments:

- #1: October 21, 2004 Letter from RCC to the County Administrator: "best and final offer"
- #2: October 21, 2004 e-mail from Mark Powell, Sprint: relating to current contract extension
- #3: October 12, 2004 Agenda item: "Acceptance of Staff Report on the Process to Procure a new 911 system for Leon County" (includes "Additional Information" item on same issue)

PA/VL/BHP/bhp